



October 14, 2005

JOINT STATE OFFICE

04-IEP-1D

California Energy Commission Dockets Unit
Attn: Docket No. 04 IEP 1
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

DOCKET	
04-IEP-1A	
DATE	OCT 14 2005
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Re: Comments on the 2005 IEPR

The California Refuse Removal Council (CRRC) was pleased to attend the September 29 and October 7, 2005 workshops on Chapters 2 and 7 of the draft IEPR and takes this opportunity to offer written comments to supplement those made on the record at said workshops. CRRC members throughout the state would be impacted by the referenced IEPR Chapters because they operate heavy-duty diesel powered equipment such as solid waste collection vehicles that would be affected if many of the recommendations in the IEPR come to fruition. The CRRC is hopeful that the this process will stimulate greater consumer fuel choice, the economic and practical availability of that choice, while allowing our family-owned businesses to continue their critical public sanitation and recycling services to six million residents and tens of thousands of businesses throughout the state.

We thank the CEC staff for their interest in our May 25, 2005 comments submitted to this docket and recognize that several of our comments are reflected in the current draft IEPR. The table below provides our follow up comments.

#	Substance	Staff's Response	Follow up Comment
1	Our NG experience in terms of cost, performance, and fuel consumption	We believe that staff captured the significant capital cost outlay to purchase an NG truck and documented the fuel use ratio of 2 to 2.5:1 gallons for NG versus diesel.	<ul style="list-style-type: none"> The Aggressive Case scenario in Table 1 of the Executive Summary (i.e. 75% scenario) does not appear credible in that the NG unit price is apparently a suppliers price of what he thinks he will be charging.
2	Costs of fueling infrastructure	We understand that staff has captured the significant cost for NG fueling (e.g. \$900,000 per SCAQMD)	<ul style="list-style-type: none"> Related to #1, the existing infrastructure is not adequate and a proposal for expanded use of NG fuel relies on approximately 87% importation.

3	Emissions	The draft IEPR initially identified NG as "an attractive environmental option."	<ul style="list-style-type: none"> • There is no hand-down winner between NG and diesel. CEC should recognize CARB's description of "similar" emissions. • By operation of federal law, the heavy duty engine emissions are identical in 2010 and until then are converging so quickly that there is a minimal environmental benefit of a NG versus diesel option that comes at an astronomical cost (e.g. SCAQMD fleet rules (\$52,000 to \$300,000+ per ton NOx))
4	Scenarios for NG penetration/savings Our members have rolled out hundreds of NG trucks and will continue where the economics and performance allow.	The revised analysis at a 10% penetration appears to include our capital cost functions and CECs unit price projection for NG.	<ul style="list-style-type: none"> • We remain unconvinced that a large-scale natural gas strategy is viable given the supply hurdles yet to be overcome, the price increases yet to be felt, and the technology that is yet to be hardened and produced in significant quantities. • The 75% scenario does not appear credible in that the NG unit price is apparently a suppliers price of what he thinks he will be charging. The just released PGE cost increase projection calls for 40-50% price increase this winter.

We request that these comments are fully reflected in the final IEPR. Our members are not simply fuel consumers but see themselves as the future purveyors of feedstock to fuel fuel diversity.

Sincerely,



Sean R. Edgar